



1995 SENATE BILL 202

May 16, 1995 - Introduced by Senators LEEAN, ELLIS and RUDE, by request of Governor Tommy G. Thompson. Referred to Committee on Education and Financial Institutions.

1 **AN ACT to amend** 25.18 (2) (e) of the statutes; **relating to:** delegation of the
2 management and control of the fixed retirement investment trust and the
3 variable retirement investment trust to investment advisers.

Analysis by the Legislative Reference Bureau

Currently, the investment board may contract with investment advisers for the management and control of not more than 10% of the assets of the fixed retirement investment trust or the variable retirement investment trust. These assets may be invested in real estate, mortgages, equities, debt of foreign governments and debt of corporations not organized under the laws of this state. Responsibility for management and control of the balance of the assets of these trusts rests directly with the board's employees. When retained, investment advisers are paid from the income that would otherwise accrue to the trusts.

This bill permits the board to contract with investment advisers for the management and control of not more than 25% of the assets of the fixed retirement investment trust or the variable retirement investment trust.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 **SECTION 1.** 25.18 (2) (e) of the statutes is amended to read:
5 25.18 (2) (e) Contract with and delegate to investment advisers the
6 management and control over assets from any fund or trust delivered to such
7 investment advisers for investment in real estate, mortgages, equities, debt of

1 foreign corporations and debt of foreign governments, and pay such advisers fees
2 from the current income of the fund or trust being invested. No more than ~~10%~~ 25%
3 of the total assets of the fixed retirement investment trust or ~~10%~~ 25% of the total
4 assets of the variable retirement investment trust may be delivered to investment
5 advisers. The board shall set performance standards for such investment advisers,
6 monitor such investments to determine if performance standards are being met and
7 if an investment adviser does not consistently meet the performance standards then
8 terminate the contract with such investment adviser.

9 (END)